

After postponing the hearing on Tuesday, the House Financial Services Committee met on Wednesday to discuss Rep. Barney Frank's proposed bill H.R. 2267, the Internet Gambling Regulation, Consumer Protection, and Enforcement Act. Many representatives were on hand to file amendments and make their voices heard, and after several hours the bill was passed by a vote of 41-22, finalizing the first of many steps to be taken in order to regulate online poker in the United States.

The hearing got underway just after 10:00 a.m. ET and the committee began discussing provisions of the bill in the markup phase. This is the phase where a Congressional committee makes changes to a bill before it is voted on and eventually sent to the House of Representatives for another vote. Should the bill get the majority vote from the House of Representatives, it would then be passed along to the Senate for another majority vote, before being signed into law by the President.

Several amendments were made to HR 2267 on Wednesday. Each amendment was handled individually and voted on by the representatives in attendance. Here's a recap of what was discussed:

Amendment 1 (Congressman Brad Sherman, Calif.): Sites that have intentionally broken Internet gaming laws cannot get a license to conduct business in the United States. This will likely affect larger online poker sites such as PokerStars, Full Tilt Poker and the old Ultimate Bet, all of whom allowed players from the U.S. to play on their site after the UIGEA went into effect. Amendment is taken to a voice vote, where representatives are asked to motion whether they are in favor or against the amendment. Amendment passes by voice vote.

Amendment 2 (Congressman Peter King, New York): Prohibits sports betting, excluding horseracing. King and several other representatives strongly support the notion of keeping sports clean and away from anything that will undermine the integrity of the game. Amendment passes by voice vote.

Amendment 3 (Congresswoman Mary Jo Kilroy, Ohio): Secretary of Treasury has the power to prohibit unsolicited emails and advertisements targeted to minors and problem gamblers. Amendment passes by voice vote.

Amendment 4 (Congressman Spencer Bachus, Alabama, and Congresswoman Michele Bachmann, Minnesota): Forbids offshore sites that have illegally done business in the US, along with people who have been employed by said sites, from getting a license. Bachus aims to include everyone associated with an “illegally-run” online gambling site be banned; Frank disputes the provision, saying that a janitor or restaurant worker employed inside of a brick and mortar casino would not be held responsible for the mishandlings of upper management; the same should hold true for an online company. Bachus withdraws amendment and says he would like to resubmit. Bachus reintroduces amendment later in the day, stipulating that only those who knew they were working at an illegally-run Internet site will be banned from obtaining a license. Amendment is later voted on by roll-call.

Amendment 5 (Congressman Joe Baca, Calif.): Allows Indian tribes to participate in Internet gambling. Frank quickly denies the amendment as it is not germane, or relevant to the subject.

Amendment 6 (Congressman Joe Baca, Calif.): Allow states/tribes to opt-in to Internet gambling. Frank emphasizes that the choice to gamble online should be up to the person, not to the state where they reside. Amendment denied by voice vote, but is later voted on by roll-call.

Amendment 7 (Congressman John Campbell, Calif): Includes several provisions: 1.) All facilities of licensees that operate and/or accept wagers be located in the US; 2.) States and tribes must have parallel authority; 3.) Bettors must be at least 21 years of age; 4.) Age and residence of bettors must be verified; 5.) Odds of winning at each game must be posted online, 6.) The identities of legal and illegal gambling sites must be verified by the treasury in order for banks to prohibit certain financial transactions; 7.) Owners must meet licensing requirements; 8.) Sites must provide loss limits for each bettor. Amendment passes by voice vote.

Amendment 8 (Congressman Brad Sherman, Calif.): States are given one full legislative session to opt out, as opposed to the original period of 90 days. Amendment passes by voice vote.

Amendment 9 (Congressman John Campbell, Calif): Internet sites who advertise towards minors will have their license revoked. Amendment passes by voice vote.

Amendment 10 (Congresswoman Melissa Bean, Illinois): Treasury is required to observe Internet sites and accordingly sanction fines and revoke licenses if minors are found gambling. Amendment passes by voice vote.

Amendment 11 (Manager's amendment — the majority and minority member who managed the debate): Bets are to be made with prepaid cards and debit cards only; bettors will be restricted from using credit cards on Internet gambling sites. In addition, the House Financial Services Committee will have no jurisdiction on tribal rights. Amendment passes by voice vote.

Amendment 12 (Congresswoman Michele Bachmann, Minnesota): Internet sites are forbidden from allowing people who are delinquent on child support from gambling on their site. Sites who don't obey this rule lose their license. Amendment passes by voice vote.

Amendment 13 (Congressman Gary Peters, Michigan): State and tribal lotteries are exempt from licensing requirements, as long as they are intrastate activities. Currently, these lotteries are already subject to state licensing, and the Federal government should not get involved. Amendment passes by voice vote.

Following the passing of the final amendment of the afternoon, Rep. Bachus called for a roll call vote, which Rep. Frank scheduled for 3:20 p.m. ET. The first roll call vote was on the opt-in amendment by Rep. Baca, which was defeated by a vote of 37-22. The next in line was Bachus' amendment, which was also voted down, by a vote of 43-22. Finally, HR 2267 came before the committee, and it passed by an overwhelming margin of 41-22.

Stay tuned to Poker News Daily as we continue to follow the fight to regulate online poker in the U.S.